

# ENDOWMENT FUND INVESTMENT PERFORMANCE REPORT FISCAL YTD 5/13/2003

Fiscal Year Beg Market Value 682,079,711  
 Net Contribution FYTD (32,112,823)  
 Investment Gain (Loss) FYTD (6,414,287)

Manager	Return Information (full year periods are through previous month-end)							Market Value Information			
	MTD	QTD	FYTD	1 Year	2 Year Ann	3 Year Ann	5 Year Ann	FY Beg MV	Current MV	% Total	% of Eq % US Eq
<b>Total Endowment Portfolio</b>											
Total Account	3.09	8.82	-1.19	-8.72	-6.55	N/A	N/A	682,079,711	643,552,601	100.00%	
Policy Hybrid	2.68	8.98	0.67	-6.73	-6.14	-6.05	0.75				
Customized	2.78	9.23	-0.11	-7.07	-5.40	-4.23	0.67				
<b>Equity Only</b>								431,866,088	449,521,255	69.85%	
Total Equity Portfolio	3.93	12.27	-5.93	-17.96	-14.85	N/A	N/A				
Equity Hybrid	3.37	11.99	-3.87	-14.18	-12.59	-12.81	-2.63				
Customized	3.52	12.33	-4.49	-14.83	-11.60	-10.37	-2.28				
<b>Fixed Only</b>											
Total Fixed Pooled Fund	1.21	1.68	8.65	9.40	7.90	N/A	N/A	206,279,556	190,557,874	29.61%	
Total Fixed Public Schools Fund	1.21	1.68	8.54	9.30	7.85	N/A	N/A				
ML Govt/Corp Master (Hybrid) *	1.08	2.08	10.21	11.08	9.11	10.11	7.59				
* Note: based on actual investment policy, the Lehman Int. Gov/Credit was the index until 12/31/02. The ML Govt/Corp was used thereafter.											
<b>Cash Equivalents</b>											
Money Market Fund	0.09	0.18	1.64	1.85	2.36	N/A	N/A	43,934,067	3,473,472	0.54%	
3 Month T-Bill	0.14	0.23	1.34	1.50	2.18	3.41	4.02				
<b>Relative Performance</b>	(0.05)	(0.05)	0.30	0.36	0.18	N/A	N/A				

APPROVED MAY 13 2003



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<b>Domestic Equity Managers</b>											
Domestic Equity Managers - Large Cap											
Northern S&P 500 *	3.31	11.54	-3.17	-13.53	-13.20	N/A	N/A	86,566,200	13.45%	19.26%	21.78%
S&P 500	3.14	11.64	-3.01	-13.31	-12.97	-12.97	-2.43				
<b>Relative Performance</b>	<b>0.17</b>	<b>(0.10)</b>	<b>(0.16)</b>	<b>(0.22)</b>	<b>(0.24)</b>	<b>N/A</b>	<b>N/A</b>				
* Managed by Key Bank until 4/17/03											
Northern Russell 1000 Growth	3.37	N/A	N/A	N/A	N/A	N/A	N/A	28,550,512	4.44%	6.35%	7.18%
R1000 Growth	3.69	11.35	0.27	-14.37	-17.28	-22.61	-5.64				
<b>Relative Performance</b>	<b>(0.32)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>				
Mastrapasqua	4.67	12.34	0.06	-17.87	-22.32	N/A	N/A	49,036,199	7.62%	10.91%	12.34%
R1000 Growth	3.69	11.35	0.27	-14.37	-17.28	-22.61	-5.64				
<b>Relative Performance</b>	<b>0.98</b>	<b>0.99</b>	<b>(0.21)</b>	<b>(3.50)</b>	<b>(5.04)</b>	<b>N/A</b>	<b>N/A</b>				
Northern Russell 1000 Value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	0.00%	0.00%	0.00%
R1000 Value	2.81	11.86	-5.60	-13.02	-8.58	-3.83	-0.50				
<b>Relative Performance</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>				
Met West	4.16	12.68	-4.66	-14.81	-12.30	N/A	N/A	112,635,324	17.50%	25.06%	28.34%
R1000 Value	2.81	11.86	-5.60	-13.02	-8.58	-3.83	-0.50				
<b>Relative Performance</b>	<b>1.35</b>	<b>0.82</b>	<b>0.94</b>	<b>(1.79)</b>	<b>(3.73)</b>	<b>N/A</b>	<b>N/A</b>				
Domestic Equity Managers - Mid Cap											
Artisan Partners	4.08	N/A	N/A	N/A	N/A	N/A	N/A	36,219,316	5.63%	8.06%	9.11%
Russell Midcap Growth	4.61	11.73	1.00	-16.67	-15.85	-20.66	-3.00				
<b>Relative Performance</b>	<b>(0.53)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>				
Oppenheimer Capital	3.36	N/A	N/A	N/A	N/A	N/A	N/A	21,682,610	3.37%	4.82%	5.46%
Russell Midcap Value	3.74	11.62	-5.93	-13.50	-3.16	3.90	1.77				
<b>Relative Performance</b>	<b>(0.38)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>				
Systematic Financial Management	3.99	N/A	N/A	N/A	N/A	N/A	N/A	16,365,730	2.54%	3.64%	4.12%
Russell Midcap Value	3.74	11.62	-5.93	-13.50	-3.16	3.90	1.77				
<b>Relative Performance</b>	<b>0.25</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>				
Domestic Equity Managers - Small Cap											
Nicholas Applegate	4.58	14.54	-13.81	-27.25	-19.85	N/A	N/A	20,955,220	3.26%	4.66%	5.27%
R2000 Growth	5.18	15.13	-6.64	-23.52	-16.35	-19.29	-7.84				
<b>Relative Performance</b>	<b>(0.60)</b>	<b>(0.59)</b>	<b>(7.16)</b>	<b>(3.73)</b>	<b>(3.50)</b>	<b>N/A</b>	<b>N/A</b>				

# ENDOWMENT FUND INVESTMENT PERFORMANCE REPORT FISCAL YTD 5/13/2003

## Manager

Return Information (full year periods are through previous month-end)							
MTD	QTD	FYTD	1 Year	2 Year Ann	3 Year Ann	5 Year Ann	
	5.78	13.35	-6.35	-14.84	3.27	N/A	N/A
	4.68	14.62	-10.15	-18.84	-0.32	7.27	1.76
	<i>1.10</i>	<i>(1.27)</i>	<i>3.79</i>	<i>4.00</i>	<i>3.59</i>	<i>N/A</i>	<i>N/A</i>

Strong Capital

R2000 Value

*Relative Performance*

Market Value Information				
FY Beg MV	Current MV	% Total	% of Eq	% US Eq

25,470,145 3.96% 5.67% 6.41%

## International Equity Managers

Lazard

MSCI EAFE Value

*Relative Performance*

	3.12	13.87	-9.29	-13.78	-10.91	N/A	N/A
	3.24	14.62	-10.78	-16.20	-14.25	-10.27	-3.10
	<i>(0.13)</i>	<i>(0.75)</i>	<i>1.49</i>	<i>2.42</i>	<i>3.33</i>	<i>N/A</i>	<i>N/A</i>

52,039,999 8.09% 11.58%

## Callan Associates

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### CONSULTANT PROFILE

May 2003

**Address:** 550 East 8<sup>th</sup> Avenue  
Denver, CO 80203

**Ownership:** 100% Employee Owned

**Contact:** Mr. Michael O'Leary

**Firm Founded:** 1973

**Key Personnel:** Mr. Michael J. O'Leary  
Mr. Paul M. Erlendson  
Ms. Janet C. Becker-Wold

#### Organization and Services:

Firm is completely independent with no joint ventures or affiliations allowing them to provide independent, objective advice without conflicts of interest.

- Department dedicated to investment manager research (20 specialty consultants).
- Six quantitative analysts focus on modeling projects including asset allocation.
- Performance measurement team consists of 23 professionals.
- Extensive public client base.

#### Investment Policy and Guidelines:

Investment policy development:

- Thoughtful analysis of fund goals, objectives, and restrictions.
- Focus on investment management structure (active/passive and fit) through Callan's Manager Structure Analysis.
- All policies are reviewed by the Callan Client Policy Review Committee (14-member group of senior consultants and investment specialists).
- Seek to provide an objective third-party oversight, while also working as an extension of staff to assure proper implementation of policies.

#### Manager/Search Database:

Use the Callan Investment Manager Database:

- Dedicated team in San Francisco gathers and maintains data.
- Designed to reduce impact of survivor bias.
- Online site for delivering information on managers.
- Maintain an internal database of all manager meetings.
- **Services are provided to money managers and other consulting firms (have conflict policy).**

Termination: establish a policy that applies a disciplined approach

- Human judgment drives the process.
- Look at performance over a full market cycle.
- Business changes at the firm (personnel, structure, etc.).

#### Performance Measurement:

Calculated internally with proprietary systems:

- Electronic delivery method to improve timeliness
- Able to provide universe peer comparisons
- Attribution analysis as required

## CALLAN CONSULTING TEAM BIOGRAPHIES

### **Michael J. O'Leary, CFA**

***Executive Vice President, National Director of Plan Sponsor Consulting Service, and Manager of the Denver Consulting Office***

Michael is a member of Callan's Client Policy Review and Management committees. He is Chairman of Callan's Manager Search Committee and a shareholder of the firm.

Michael joined Callan in 1984 in the firm's Chicago office as a senior consultant. He established the firm's Denver office in 1990. Prior to joining Callan, Michael worked for 13 years for major Trust companies in Chicago and Hartford, Connecticut. While with the Trust companies, he worked as a research analyst, Director of Research and head of institutional portfolio management. Throughout his career as an investment professional, he has worked extensively with a broad range of institutional clients including public and corporate retirement plans, foundations, financial intermediaries, and charitable organizations.

Michael works directly with a number of the firm's major public and private accounts in providing a complete range of investment consulting services. He has extensive experience in manager structure analysis, manager selection, and performance evaluation. He speaks frequently at client conferences and to professional groups.

Michael holds a bachelor's degree from Fordham University, and he has earned the right to use the Chartered Financial Analyst designation.

### **Paul M. Erlendson**

***Senior Vice President, General Consultant in the Denver office, and shareholder***

Paul is a member of Callan's Management, Client Policy Review, and Manager Search committees. He has assisted a variety of institutional investors with a broad array of investment policy formulation, implementation, and evaluation decisions.

Prior to joining Callan Associates in 1986, Paul served on the staff of the North Dakota Public Employees Retirement System. His background also includes work in the insurance industry, and a stint as a college instructor.

Paul's commitment to education extends to participating in speaking roles at various investment forums. He earned a B.A. and M.A. from North Dakota State University.

## CALLAN CONSULTING TEAM BIOGRAPHIES

### **Janet Becker-Wold, CFA**

#### ***Senior Vice President, General Consultant in the Denver office, and shareholder***

Having headed the firms' International Global Manager Research Group for the last 5 years, Janet has recently moved into a general consulting role. She has worked directly with many of Callan's clients. Her experience at Callan includes all facets of international investing, manager search and structure as well as working directly for a select number of clients providing full consulting services. A major relationship for her is the Washington State Investment Board. She has authored white papers on a variety of international investing issues and is a speaker at industry forums.

Janet joined the firm in 1994 from QWEST's (formerly U S WEST) pension fund where she worked in the international equity, fixed income and real estate areas. She has an M.B.A. in Finance from the University of Colorado and a B.S. in Biology from the University of Texas. Janet has earned the right to use the Chartered Financial Analyst designation.

## **RBC Dain Rauscher**

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### **CONSULTANT PROFILE**

May 2003

<b><u>Address:</u></b>	2711 N. Haskell Street Suite 2400 Dallas, TX 75204	<b><u>Ownership:</u></b>	Subsidiary of Royal Bank of Canada
<b><u>Contact:</u></b>	Mr. John Pickett		
<b><u>Firm Founded:</u></b>	1909		
<b><u>Key Personnel:</u></b>	8 Investment Professionals John Pickett, Senior Vice President Brian Hayes, Vice President		

#### **Organization and Services:**

View themselves as an extension of staff.

- Lead consultants average over 20 years of industry experience
- 8 investment professionals located in Dallas, TX

#### **Investment Policy and Guidelines:**

View of the Investment Policy Statement:

- Set forth objectives, policies and guidelines
- Establish criteria for measurement
- Communicates said objectives to investment managers
- Serves as review document for oversight

Philosophy for implementation:

- Fiduciary responsibility is most important role they serve as consultant
- Focus on pro-active recommendations
- Employ outside expert for asset modeling (Dr. Brian Thompson)

#### **Manager/Search Database:**

No proprietary database:

- Utilize multiple database sources: PI Analytics, Wilshire, Mobius and Morningstar
- No "pre-approved" list of managers – each search is new
- Qualitative factors focused on consistency

Termination: establish criteria in advance

- Key personnel changes
- Ownership change
- Change in investment process, style drift, etc.
- Performance relative to peers and appropriate benchmarks

#### **Performance Measurement:**

Calculated in-house by full time analysts:

- Flexible format, including monthly flash report
- Custom reports
- Attribution analysis as required



## RBC DAIN RAUSCHER CONSULTING TEAM BIOGRAPHIES

### **John A. Pickett**

#### ***Senior Vice President***

John is responsible for all investment consulting services and operations. He has been in the investment consulting business for more than 25 years with RBC Dain Rauscher and Principal Financial Securities. Mr. Pickett completed his Investment Manager Analysis Certification (CIMA) after attending courses at Wharton. Mr. Pickett has been instrumental in the development of the group's philosophies and systems, and marketing of consulting services. He has worked with many large trusts and private clients for over twenty years. Mr. Pickett has been a speaker at conferences such as TEXPERS, Investment Management Institute (IMI) and Investment Management Consultants' Association (IMCA), as well as numerous educational conferences for Trustees and Board members. Mr. Pickett graduated with a B.A. in Economics from Baylor University.

John will serve as one of the two lead consultants for this project. His experience with a variety of clients and their specific situations gives him the ability to assist you with all of the projects listed in your Request For Proposal.

### **Brian K. Hayes**

#### ***Vice President***

Brian is responsible for consulting client relations and marketing. He has been in the consulting and investment management business for more than 18 years. Previously, Mr. Hayes was a partner at Sanford Bernstein & Co., Inc. Mr. Hayes was responsible for 53 relationships and \$3+ billion in assets. Mr. Hayes has a Bachelor of Science in Mathematics from the University of Oklahoma, Bachelor of Science in Business Administration – Cum Laude from the University of Texas at Dallas and a Masters of Business Administration Magna Cum Laude from Amber University. Mr. Hayes holds various securities and NASD licenses.

Brian will serve as co-lead consultant. Throughout his career, Brian has assisted clients with a variety of issues from both sides of the money management world. As a consultant and as a money manager partner, Brian has been instrumental in problem solving for his clients.

### **Brian C. Thompson Ph.D.**

Brian has a PHD in Operations Research, wrote his doctoral thesis on Pension Fund Asset Allocation. He provides research and analytic support on special projects such as Asset Liability studies. His qualifications and investment experience are extensive but particular strength are his technical, investment systems and asset allocation capabilities. Dr. Thompson wrote his dissertation on Pension Fund Asset Allocation. Dr. Thompson received a B.S. in Industrial Engineering from U.C. Berkeley and a Ph.D. in Operations Research from Southern Methodist University. Brian previously was a Principal for William Mercer Asset Planning, a Senior Investment Consultant with Buck Consultants, and held various senior management positions with National FSI providing investment systems to the financial industry.



## RBC DAIN RAUSCHER CONSULTING TEAM BIOGRAPHIES

### **Ross H. Clary**

#### ***Financial Consultant***

Ross is responsible for investment consulting and marketing within the Institutional Consulting Group. Mr. Clary began his investment career in 1998 with Southwest Securities, joining RBC Dain Rauscher in 2000. Areas of expertise include Investment Education and Advice and College Saving Programming. Mr. Clary graduated with a Bachelor of Science from Texas A&M University in 1995. He currently holds various securities and NASD licenses and the Group I insurance license.

### **Institutional Research Analysts Assigned to the State of Idaho:**

### **John E. Bullman**

#### ***Analyst***

John came to Dain Rauscher after serving in a marketing and client service position at American Express Financial Advisors. He has multiple security registrations and is a C.F.A. Level III candidate. John graduated from Baylor University with a B.B.A. in Finance and International Business. Highlights at Baylor include creating the Baylor Hockey team, where he served as President of the club and team captain, as well as winning the Hankamer School of Business Strategy Competition.

### **Erik B. Cooper**

#### ***Analyst***

Erik conducts initial and ongoing investment manager searches, analysis, and due diligence for mutual funds and money managers. Prior to joining RBC Dain Rauscher, Erik was involved in project management and equity trading for CyBerCorp.com, a start-up that was acquired by Charles Schwab Capital Markets. He holds a B.A. from The University of Texas at Austin.